

VZCZCXRO9141
RR RUEH DU RUEHJO RUEHMR
DE RUEHLG #0351 1101425
ZNR UUUUU ZZH
R 201425Z APR 06
FM AMEMBASSY LILONGWE
TO RUEHC/SECSTATE WASHDC 2661
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
RUEHFR/AMEMBASSY PARIS 0099
RUEHLO/AMEMBASSY LONDON 0204

UNCLAS LILONGWE 000351

SIPDIS

SIPDIS

STATE FOR AF/S G. MALLORY

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [PHUM](#) [ECON](#) [ELAB](#) [MI](#)

SUBJECT: MALAWI STRUGGLES WITH STREET VENDORS

REF: LILONGWE 124

¶1. As the GOM moves to impose order on the thickets of street vendors in Blantyre and Lilongwe, the vendors have offered little resistance following Monday's clash in Blantyre. April 18 marked the GOM's delayed deadline for street vendors to leave the streets for government-built market buildings. The GOM abandoned its early February deadline after vendors rioted in Lilongwe over the arrest of the vendors' association leader.

¶2. The GOM and city assemblies, not wanting a repeat of the February violence, have prepared more carefully for this month's deadline. City and GOM tax authorities have been working to register the vendors' businesses, and most of the vendors' improvised lean-tos were cleared away over the four-day Easter holiday. On Easter Monday, though, street vendors in Blantyre gathered for what they have called a prayer meeting and what police have called an unauthorized assembly, which ended in 40 arrests and several injuries.

¶3. The resistance to operating in the designated market areas revolves around several issues. Vendors argue that the market structures are too small for the number of vendors and that the markets are not as well located as the informal locations. In addition, some vendors are reluctant to register, as this may compel them to pay taxes for the first time. In answer to the argument about space, which has obvious merit, the Lilongwe city management has hastily extended the official area and allocated spaces for hundreds of additional vendors. While the city has promised a roofed structure for the new area, it is allowing lean-tos for the short term.

¶4. In Lilongwe's market area this week, calm prevailed as some vendors anxiously surveyed their assigned spaces and others continued to negotiate with city officials for more stalls. The vendors we talked to sounded generally optimistic and placed the blame for whatever tension remained with the minority of vendors who have not registered and appear to be out of the pecking order. Most predicted a peaceful resolution to the situation, at least in Lilongwe. However, established shops in the old town area, owned mostly by Indians and Pakistanis, were shuttered against the possibility of violence.

¶5. COMMENT: The problem of regulating Malawi's informal retail sector is not an easy one. The sector sprang into life during the Muluzi administration, largely as a reaction against decades of repressing any action independent of the heavy state machinery. Twelve years of non-regulation later, the sector has become a real problem, with chaotic markets, choked city streets, and public sanitation that can only be termed frightful. The Mutharika administration has been slow coming to grips with this problem, and it has made several

false starts. While the threat of some violence is by no means gone, there appears to be a peaceful resolution in sight.

EASTHAM